



PRESS RELEASE

House National Security Committee

Floyd D. Spence, Chairman

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STATEMENT OF CHAIRMAN FLOYD SPENCE

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On June 26, the committee received sequential referral of H.R. 695, the Security and Freedom Through Encryption Act, a bill intended to liberalize the use and export of encryption-related technologies. Today we will receive testimony on U.S. government policy toward the export of encryption software and legislative efforts to modify that policy.

Encryption technology consists mostly of computer programs that translate electronic communications into unintelligible numbers and letters for the secure transmission. Encryption is essential for a number of uses, including the secure transmission of military message traffic, commercial banking wire transfers, and individual credit card purchases on the internet.

However, law-abiding citizens, banks, and the Department of Defense are not the only users of encryption software. Encryption software can also be used by drug dealers, terrorists, and countries whose actions are counter to the interests of the United States. In those cases, it may be necessary for U.S. law enforcement and national security officials be able to decipher encrypted communications in order to stop and thwart their activities. In addition, the unchecked proliferation of sophisticated encryption technology can only complicate the ability of U.S. military forces to prevail with minimal casualties on tomorrow's battlefield.

For these reasons, the immediate task before the committee is to evaluate the possible negative impact that significant decontrol of encryption technology – as advocated by H.R. 695 – could have on national security. I concede that there are legitimate arguments for developing an encryption technology policy that recognizes the explosive growth in telecommunications over the past few years. We have an obligation to understand these issues and fully take them into account. But, as members of the National Security Committee, we must also remember that the legislation before us has been referred to four other committees to ensure that its receives broad and diverse scrutiny. Our principal charge, therefore, is to consider this bill and its implications from the national security perspective.

In this regard, I ask my colleagues to withhold final judgment on this legislation until the committee benefits from the expert testimony we are about to receive and the staff's continued review of the issue. It is my intention, working in concert with Mr. Dellums and members on both sides of the aisle, to use the weeks ahead

to better understand these issues in order to arrive at recommended changes to H.R. 695 that we can report to the House in early September.

While I personally have not reached any final conclusions, I should state that I do hold several concerns with the changes being proposed by this bill that could have serious national security implications. It is my hope that some of these concerns will be aired today so that members may have a fuller appreciation of what they will be asked to consider when we formally take up this legislation in September.